



USDA Foreign Agricultural Service

# GAIN Report

Global Agriculture Information Network

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## Mexico

### Market Development Reports

### Market Snapshot: The Rice Market

**2008**

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**Report Highlights:**

Mexico is the largest market for U.S. rice both in volume and value. With a population of over 106 million people and relatively low per capita consumption, the Mexican market has substantial potential for growth.

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Includes PSD Changes: No  
Includes Trade Matrix: No  
Trade Report  
Mexico City ATO [MX2]  
[MX]

According to the USA Rice Federation, Mexico has the greatest potential to increase U.S. rice sales in the hemisphere for the following reasons: geographical proximity, lower transportation costs and a significant growth over the last ten years, which is expected to continue.

### **Best Prospects**

All rice varieties are popular in Mexico; however Long-grain and Parboiled are the most in demand. Opportunities exist for both paddy and milled rice. About 83% of all imported rice is long grain paddy; 7% long grain milled; 5% medium grain and parboiled.

### **Competition**

Domestic production of rice is very low and represents only a small percentage of consumption. The U.S. is the main supplier of rice to Mexico with a 99% market share due to a strong identification with U.S. products, a favorable label law, and freight advantages. As the population continues to grow (an average annual rate of 1.4 percent) and consumption increases, opportunities for U.S. rice exporters will also grow. In 2007, Mexico imported \$242 million of rice of which \$203 million were long grain "paddy" rice, \$32.3 million were long grain "milled", medium grain and parboiled rice and \$10 million were other varieties and blends.

### **Consumption**

Rice consumption in Mexico is very low compared to other Central and South American countries; however it has been increasing lately. According to the USA Rice Federation, current per capita consumption is estimated at 7.4 kg per person (milled basis) per year (up from 6 kg in 1997). Rice is one of the most versatile and profitable ingredients in the food service industry.

### **Related Reports**

Mexico – Grain and Feed Annual report (03/2007)  
<http://intranetapps/GainFiles/200703/146280676.pdf>

### **Key Contacts in Mexico**

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